

SUR-REBUTTAL TESTIMONY OF
MATTHEW J. HAMMOND
ON BEHALF OF
SOUTH CAROLINA ELECTRIC & GAS COMPANY
DOCKET NO. 2018-163-E

1 **Q. WHY DID YOU TELL MR. MORI THAT SCE&G WOULD ACT**
2 **“REASONABLY” WHEN EVALUATING A REQUEST(S) TO EXTEND**
3 **THE MILESTONE DATES?**

4 A. I told Mr. Mori, as I would any interconnection customer, that SCE&G
5 would act “reasonably” when evaluating Milestone extensions because that is the
6 standard used in Section 6.2 of the SolAmerica IA. Section 6.2 states that
7 extensions “shall not be *unreasonably* [withheld]” unless any of the enumerated
8 factors are met. (emphasis added).

9 **Q. SO THIS IS NOT SOMETHING YOU JUST TOLD TO MR. MORI?**

10 A. Of course not. I must treat all customers comparably, so I explain our
11 process the same way to any customer asking about Milestone extensions.

12 **Q. IN YOUR TESTIMONY ABOVE, WHY DO YOU REFERENCE THE**
13 **TERMS OF THE SOLAMERICA IA RATHER THAN AN INTERNAL**
14 **PRACTICE?**

15 A. The terms of the SolAmerica IA are binding. The language of Section 6.2
16 was carefully developed by the FERC and the Commission. The Commission
17 included Section 6.2 in the South Carolina Standard IA. As a result, I know this

1 language is binding on all SCE&G interconnection customers who execute the
2 South Carolina Standard IA.

3 SCE&G believes in many circumstances that an extension of up to 12-
4 months is consistent with the “reasonableness” standard in Section 6.2. SCE&G,
5 however, recognizes that the language of Section 6.2 is controlling, and SCE&G
6 must evaluate all requests in accordance with Section 6.2.

7 **Q. DID YOU PROMISE TO EXTEND THE DEADLINES OF THE**
8 **SOLAMERICA IA IN EXCHANGE FOR THE \$252,008 SOLAMERICA**
9 **STATES THAT IT PAID UNDER THE SOLAMERICA IA?**

10 A. No. I did not promise to extend the deadlines of the SolAmerica IA and I
11 certainly did not promise to extend the deadline in exchange for anything.

12 **Q. DID SOLAMERICA PAY ITS DEPOSITS AS SET FORTH IN THE**
13 **MILESTONES AFTER IT EXECUTED THE SOLAMERICA IA?**

14 A. Yes.

15 **Q. THEREFORE, SOLAMERICA WOULD HAVE BEEN AWARE OF THE**
16 **LANGUAGE OF SECTION 6.2 BEFORE IT PAID ITS DEPOSITS, IS**
17 **THAT CORRECT?**

18 A. Yes. SolAmerica admits it read the terms of the SolAmerica IA.

19 **Q. DID YOU HAVE OTHER INTERCONNECTION CUSTOMERS THAT**
20 **MOVED FORWARD WITH THEIR PROJECTS DURING THE “THREAT**
21 **OF LOOMING TARIFFS?”**

22 A. Yes.

1 **Q. DO YOU BELIEVE SCE&G ACTED IN ACCORDANCE WITH THE**
2 **“REASONABLENESS” STANDARD CONTAINED IN SECTION 6.2?**

3 A. Yes. SCE&G was proactive in working with SolAmerica. As SolAmerica
4 approached the first deadline for Milestone 4, SCE&G initiated conversation with
5 SolAmerica. SCE&G saw little action on SolAmerica’s part, and, in the fall of
6 2017, SCE&G inquired about SolAmerica’s ability to meet Milestone 4 and its
7 need for an extension. SCE&G hoped to help SolAmerica avoid defaulting under
8 the SolAmerica IA. Under the terms of the SolAmerica IA, SCE&G was not
9 required to reach out to SolAmerica. Nevertheless, SCE&G took the initiative
10 when it had not heard from SolAmerica and granted SolAmerica an extension.
11 Again, in the spring of 2018, SCE&G acted reasonably and in accordance with
12 Section 6.2 of the SolAmerica IA with respect to SolAmerica’s second request for
13 an extension. SCE&G acted reasonably on both of SolAmerica’s extension
14 requests.

15 **Q. ARE YOU SURPRISED MR. MORI DID NOT REFERENCE SECTION 6.2**
16 **OF THE SOLAMERICA IA AT ALL IN HIS REBUTTAL TESTIMONY?**

17 A. Yes. Section 6.2 is clear and that language controls extensions of
18 Milestones. SCE&G followed the terms of Section 6.2 when evaluating
19 SolAmerica’s multiple requests for extensions of the Milestones. Any argument
20 that advocates granting an extension but which ignores the language of Section 6.2
21 is baseless and intended as a distraction. One cannot simply ignore the express

1 words of the written contract that govern the very activity at the heart of the
2 dispute.

3 **Q. IN HIS REBUTTAL TESTIMONY, STARTING AT LINE 10 ON PAGE 7,**
4 **MR. MORI STATES, “THERE IS NOTHING IN THE**
5 **INTERCONNECTION AGREEMENT OR THE SOUTH CAROLINA**
6 **INTERCONNECTION STANDARDS THAT LIMITS THE ABILITY OF**
7 **SCE&G TO GRANT OUR REQUESTED EXTENSION OF THE**
8 **INTERCONNECTION MILESTONE DATES.” DO YOU AGREE?**

9 A. No. As I previously stated, Section 6.2 clearly governs Milestone
10 extensions and sets forth factors that limit when extensions should be granted.
11 One must completely ignore this express provision of the SolAmerica IA to agree
12 with Mr. Mori’s statement.

13 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

14 A. Yes.